

Emerging Challenges of Women Entrepreneurs in Nepal

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Abstract

Women's entrepreneurship is a new concept in Nepal. The women had engaged in micro-cottage and small skill enterprises to contribute to their career development. They have been overcoming many problems to make the job successful. The study's objective was to identify multiple difficulties that women entrepreneurs face before and after starting their enterprise and to examine the knowledge of various aspects of business that Nepalese women entrepreneurs have before starting their businesses. This study adopted a descriptive research design. Primary data was the main source and was collected through survey questionnaires of women entrepreneurs. The total sample was 200 women entrepreneurs selected through purposive sampling throughout Kathmandu valley. Data has been processed in the computer using SPSS. Descriptive statistics such as mean and standard deviation were applied to analyze data. The study found that the four major problems faced by women entrepreneurs were acquiring working capital, managing new ventures, getting a labor force, and marketing the products.

Key words: Women entrepreneurs, micro-cottage and small skill enterprises, acquiring working capital, managing new ventures, getting a labor force, and marketing the products.

Introduction

Women entrepreneurship is the task of business ownership and business creation that empowers women economically and increases their economic strength and position in society (Despande, 2009). A woman entrepreneur is an adult who owns and runs an enterprise, especially a commercial one, often at personal financial risks (Bhuvaneshwari, 2013). According to the emerging literature, women can contribute significantly to entrepreneurial activity (Noguera et al., 2013) and economic development (Kelley et al., 2017; Hechevarra et al., 2019) in terms of job creation and GDP growth (Bahmani-Oskooee et al., 2013; Ayogu and Agu, 2015), with positive effects on poverty and social exclusion (Langowitz and Minniti, 2007; Rae, 2015). However, the percentage of women who choose to pursue an entrepreneurial

career is lower than that of men (Elam et al., 2019), and this disparity grows as the country's level of development rises (Coduras and Autio, 2013).

In Nepal, women's entrepreneurship is a new concept and has recently gained recognition. In a developing country like Nepal. Property, expenditure, and education are men's business, and it is thought that it is not a concerning matter for women (Medep, 2010). Many rural girls drop out of schooling early because of household activities or early marriage (Tuladhar, 1996). In a male-dominated society like Nepal, women encounter many socio-personal problems. From a very early age, it is instilled into girls' minds that their most important duty is to assist the mother in household activities (Ranabhat, 1995). Especially in rural sectors, girls can only get primary education and are kept far from advanced schooling. The general mentality is that advanced education is necessary only for a male child (Ranabhat, 1995). Women's role is only to support their male counterparts (Ranabhat, 1995). Most women, especially in rural areas, have a higher rate of illiteracy, less confidence, little knowledge of their legal rights and are confined to their responsibilities at home (Tuladhar, 1996). They work 15 to 16 hours daily, but this activity is undervalued because it does not generate income directly. So, all this psychological pressure from social culture makes women unable to demand their rights (Tuladhar, 1996).

Nepal's sociological setup has been traditionally a man-dominated one. Therefore, it is thought that women cannot do it. To some extent, these prevailing social values, culture, and perceptions have restrained the growth of women entrepreneurs in Nepalese society (Khatiwada, 2001). But there are specific communities, especially the Newars, Sherpas, Gurung, and Thakali, where women are traditionally involved in small business enterprises. Therefore, within the last few decades, the concept of women's entrepreneurship has been accepted in Nepalese society. It has resulted in various conflicts within the family, which can sometimes result in many women giving up their entrepreneur role and devoting themselves to family responsibility (Adhikari, 1997). Women's entrepreneurs focus on utilizing women's labor force productively to contribute to generating income. They also alleviate poverty and reduce the adverse social effects of unemployment, underemployment among women, and confining women to household non-economic activities (Kumbhar, 2013). Thus the development of women's entrepreneurship has enormous implications for combating poverty and depriving and exploiting women (Das, 2011). The National Workshop on "women in the cottage and small industries" held at Kathmandu in 1994, organized by SBPP, and has identified the various constraints, women entrepreneurs face. These are: lack of managerial skill, inadequate level of technology, lack of labor skill, difficulty in marketing and distribution, financial problems and difficulty in getting loans from the financial institution.

According to the literature, entrepreneurs are described as aggressive and risk-taking (Bird and Brush, 2002), as well as more socially inclined to achieve and obtain economic benefits, an image that does not fit women (Ahl, 2004; Dileo and Pereiro, 2019), who appear closer to care

and the emotional sphere, and thus in pursuit of social value (Hechevarra et al., 2012; Urbano Pulido et al., 2014). The study by Rembulan et al. (2016), which analyzed differences in the work-family conflict between women who work as employees, showed that most female entrepreneurs have shallow conflict in all aspects: time, tension, and behavior; unlike women who work as employees who tend to have higher conflict.

The main objective of this study is:

To identify problems faced by women entrepreneurs before starting a new business venture.

To explore problems faced by women entrepreneurs after starting and operating the business venture.

To examine the knowledge of women entrepreneurs on different aspects of business that affect the day-to-day business operations.

Review of Literature

A study by Lee-Gosselin et al. (1990) indicated that the most frequent problems encountered by women entrepreneurs were lack of confidence from banks, suppliers, and clients, lack of startup capital, and family problems. In addition, after the Business's launching, there were marketing problems, problems with associates, and labor problems that women entrepreneurs had to face. Several other issues faced by Women entrepreneurs were reconciling family and work, finding required funds and lack of acceptance for women in Business (Collerette et al., 1990); being discriminated against in getting business credit (Klein, 1993); and management of Business and personnel (Hisrich et al., 1991). A study done by Brown et al. (1989) identified four major problems for businesses finding and keeping qualified professional staff; finding and retaining qualified, skilled labor; making the company profitable, and doing government paperwork.

The study by Singh (2008) found that women entrepreneurs in developing countries encounter problems securing finances for establishing and running SMEs. According to the findings of Sullivan and Meek's (2012) systematic analysis, the attributions of society and the various socialization processes relating to men and women may create barriers for women due to unequal distribution of assets and services, educational objectives, and daily life activity expectations. According to Thébaud (2015), work-family conflict can be an essential motivator for women to start a business.

According to Guzman and Kacperczyk (2019), females are 63% less likely than males to obtain external financing in risk capital, with gender differences accounting for most of the difference. Nirmal K. Bista & Binod K. Shrestha (2000) found the opportunities and challenges for entrepreneurs and the development of small and medium enterprises in Nepal. Tuladhar (1996) accesses the status - barriers and constraints and opportunities and support mechanism of women entrepreneurship in Nepal. It also highlights the socio-cultural, legal, and educational barriers to women's entrepreneurship in Nepal. In addition, there is a

valuable overview of personality traits viz. self-confidence, task-oriented result, risk-taker, and leadership essential for successful entrepreneurship with consideration given to the distinction between female and male entrepreneurs. Her study has also found that lack of access to credit has been an important limitation on women's opportunities to start businesses and engage in economic activities. She also identifies that women encounter problems while doing Business: social barriers, inadequate education, family responsibilities, dependence on guardians, and the absence of government protection for women-run enterprises.

Methodology

This study adopted a descriptive research design. Primary data was the main source and was collected through survey questionnaires of women entrepreneurs. The population of the study was registered members of women entrepreneurs within the DSCI, FNCCI, FWEAN, Nepal Chamber of Commerce, Trade Association, etc. within Kathmandu valley. The target group of this study is women entrepreneurs of micro, small and medium enterprises. The total sample was 200 women entrepreneurs selected through purposive sampling throughout Kathmandu valley. Data has been processed in the computer using SPSS. Descriptive statistics mainly mean and standard deviation were applied to analyze data.

Result and Discussion

Problems faced before starting Business

The study shows that most Nepalese women entrepreneurs face the problem of getting working capital and managerial problem. The operating capital factor is 1.40, and the administrative problem factor has the lowest standard of 1.30. Therefore, it shows that getting working capital and managing their business is women entrepreneurs' most significant problem.

Table 1: Problems Faced Before Starting Business

	N	Minimum	Maximum	Mean	Std. Dev
To get employees	189	1	5	3.046	0.656
To get working capital	189	1	5	1.465	0.597
To get capital goods (machine)	189	1	5	3.336	0.894
Family and social problems	189	1	5	3.232	0.986
Managerial problems	189	1	5	1.423	0.863
To get material and logistic	188	1	5	2.647	0.987
To sale product	156	1	4	2.753	0.736
Other problems	189	1	5	2.476	0.894

Source: Field study, 2019

Women entrepreneurs do not get a share in any parental property and are unwilling to go to financial institutions to get their capital. Therefore, it can make it challenging to gather the necessary capital. Also, lack of education and training in various fields like accounting, finance,

marketing, etc., can cause women entrepreneurs to have managerial problems. Similarly, all the other factors besides labor and capital have a mean close to 3, suggesting that women entrepreneurs face different issues, but they are not very severe.

Problems faced after starting the business

Problems faced by women entrepreneurs are not limited to before starting their job. There are many problems that they face after starting their career. Some issues before beginning the work can remain, and some can go away. However, some additional cases can also come to light. Table 2 show the problem faced by entrepreneur after they started their work.

Table 2: Problems Faced After Starting Business

	N	Most	Least	Mean	Std. Dev
Working capital	167	1	6	3.24	1.38
Marketing	163	1	6	2.12	1.26
Technical	162	1	6	3.46	1.41
Transportation	154	1	6	4.35	1.24
Labor	147	1	6	2.59	1.49
Raw Materials	157	1	6	3.21	1.38

Source: Field study, 2019

The statistics show that marketing and labor have the lowest mean of 2.08 and 2.66, respectively. It means these two factors are most problematic for women entrepreneurs. Marketing a product requires a lot of things. First, women need a quality product; they need demand for that product, and the price needs to be correct. After these things are met, they need an appropriate advertising plan to make the product appealing to the target customers. It requires training and experience in the field of marketing. It may be difficult for women entrepreneurs to get all the knowledge. Labor is another problem that women entrepreneurs are facing. Due to the immigration of much productive labor force, women entrepreneurs face the problem of getting experienced and qualified employees. The least problematic factor is transportation which has a mean of 4.41. The other factors have a mean close to 3, meaning these are the factors that give average problems. The finding is in line with further research done around the world. According to Collerett et al. (1990), after the launching of the business, there were marketing problems, problems with associates, and labor problems that women entrepreneurs had to face. Several other issues faced by women entrepreneurs were reconciling family and work, finding required funds, and lack of acceptance for women in business.

Knowledge of Different aspects of Business

Entrepreneurs need to understand the different aspects of their business to be successful in their job. For example, an entrepreneur needs to know about the technology that can be used and is being used and needs to have marketing knowledge, pricing knowledge, and product knowledge.

Table 3 shows respondents' responses regarding knowledge of various aspects of business, including understanding technology, market, price, and products before starting their business.

Table 3: Knowledge of Different Aspects of Business before Starting Business

	N	Very Low	Very High	Mean	Std. Deviation
Technical Knowledge	189	1	5	3.12	0.81
Marketing Knowledge	189	1	5	3.19	0.79
Pricing Knowledge	189	1	5	2.86	0.68
Product Knowledge	189	1	5	3.39	0.65

Source: Field Study, 2019

Table 3 shows the knowledge of different aspects of Business while doing the Business. The statistics show that product knowledge has the highest mean, i.e., 3.39, which means that respondents have increased knowledge about products or services before entering the Business. Similarly, marketing knowledge has mean of 3.19, which also indicate women entrepreneurs have enough marketing knowledge. Similarly, they also have moderate knowledge about technology since its mean is 3.12. Pricing knowledge accounts minimum mean, i.e., 2.86, which indicates women entrepreneurs have less understanding of pricing. However, from the data, it can be inferred that they have moderate knowledge about their product, price, technology, and market since the mean value is around and more significant than mid-value 3.

Conclusion

The most significant problems women entrepreneurs face are getting working capital and managing their business. Women entrepreneurs do not get a share in any parental property. Therefore, they are not willing to go to financial institutions to get their capital, which creates a problem in gathering the necessary capital. Moreover, women are still looked at as an inferior gender in our society, so they are not helped by relatives or friends to accumulate capital to start their job. Therefore, it is difficult for them to gather the necessary capital. Also, lack of education and training in various job fields like accounting, finance, marketing, etc., are causing women entrepreneurs to face managerial problems. Other problems faced by women entrepreneurs are the problem of marketing the products produced and getting labor force. It is difficult to get a labor force due to the increasing trend of Nepal's labor force migrating abroad to look for jobs.

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